

Message Text

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43

ACTION ARA-17

INFO OCT-01 ADP-00 CIAE-00 DODE-00 PM-09 H-02 INR-10 L-03

NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-14 USIA-12 SR-02

AID-20 EB-11 EUR-25 TRSE-00 INRE-00 RSR-01 /142 W
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P 302331 Z MAR 73

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC PRIORITY 3870

UNCLAS SANTIAGO 1334

E. O. 11652: N/ A

TAGS: CI, PFOR, US

SUBJECT: CHILE HOY INTERPRETS " BREAKDOWN" OF US- CHILE TALKS

REF: SANTIAGO 313

1. SUMMARY. IN ECLECTIC MARXIST WEEKLY CHILE HOY MARCH 30, COMMENTATOR JOSE CAYUELA SAYS WASHINGTON TALKS ENDED IN " COMPLETE IMPASSE" OWING US REJECTION OF 1914 TREATLY FORMULA. CAYUELA SAID OUTCOME SURPRISED CHILEAN DELEGATION, AND INTERPRETED IT AS REFLECTING USG POLICY DETERMINATION FOR TOTAL CONFRONTATION WITH ALLENDE GOVT. ALLEGED US CHANGE OF COURSE ATTRIBUTED TO UP' S MARCH 4 ELECTION PERFORMANCE WHICH DISABUSED US POLICY MAKERS WHO DOUBTED ALLENDE WOULD LAST UNTIL 1976 AND CONSEQUENTLY HAD SEEN MERIT IN PLAYING FOR TIME. CAYUELA COMMENTARY OBLIQUELY PROMOTING 1914 TREATY FORMULA APPEARED IN CHILE HOY JAN 5 (REFTEL). CONDENSED TRANSLATION OF PERTINENT EXTRACTS FOLLOWS: END SUMMARY.

2 " NEITHER CHILEAN NOR US DELEGATES MOVED ONE IOTA FROM POSITIONS EXPOUNDED IN DECEMBER. APPARENT WILLINGNESS TO LET TIME PASS WITHOUT COMING TO RUPTURE, TO RESORT IN WORST OF CASES TO 1914 TREATY, WHICH IN TURN WOULD GIVE PARTIES ONE AND ONE- HALF YEAR ' GRACE PERIOD,' WAS LEFT A SHAMBLES. FROM BEGINNING US DELEGATES ASSUMED HOSTILE, STUBBORN AND, AT END, EVEN THREATENING POSTURE. CHILEANS DEPLORED THAT USG REJECTED JURIDICAL FORMULA OF APPLYING TREATY TO RESOLVE DIFFERENCES. IN SHORT, SITUATION
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GOC WAS CONSISTENTLY (STRIVING) TO AVOID IS CLOSE AT HAND... GOC HAD SOUGHT KEEP WHITE HOUSE OUT OF ITS CONFRONTATION WITH INTERNATIONAL CONSORTIA.... EVERYTHING WAS FRUSTRATED BY ABRUPT END OF TALKS."

3. CAYUELA ATTRIBUTES SELECTION OF CRIMMINS TO HEAD US DELEGATION WITHOUT WAITING FOR KUBISCH " PRECISELY TO UNDERSCORE NEW WASHINGTON MOOD, I. E., THERE WAS NO LONGER REASON TO WASTE MORE TIME. WHAT HAD CHANGED WAS NOT BASIC POSITION BUT STATE DEPT TACTCS.... IN DECEMBER MEYER WENT ALONG WITH CHILEAN OBJECTIVE OF GAINING TIME AND GETTING TO NEXT PARIS CLUB MEETING BY 'DIALOGUING WITH PRINCIPAL CREDITOR.' THIS WAS NOT THROUGH GENEROSITY: WHITE HOUSE AND STATE DEPT DESIRED CONFRONT A POPULAR GOVT CONSUMED BY ECONOMIC CRISIS AND DETERIORATION OF POLITICAL AND SOCIAL BASE... MARCH ELECTION CONVINCED WHITE HOUSE THAT ALLENDE WOULD SERVE OUT TERM AND THAT IT WOULD HAVE TO DEAL WITH UP GOVT AT LEAST UNTIL 1976.... FROM NOW ON WASHINGTON WOULD NOT ONLY RELY ON CHILEAN OPPOSITION SECTORS.... BUT WOULD APPLY ECONOMIC TOURNIQUET. CRIMMINS VIRTUALLY SAID AS MUCH AT LAST MEETING: THERE IS NO LONGER REASON EXPECT ANYTHING POSITIVE FROM NEW CONVERSATIONS BETWEEN HIGH LEVEL 'POLITICAL'. REPRESENTATIVES OR FROM 1914 TREATY.... AT PARIS, US TREASURY DEPT WILL BRING TO BEAR ALL ITS ENORMOUS INFLUENCE TO PRESSURE REST OF CAPITALIST CREDITORS AND PREVENT AGREEMENTS SUCH AS THOSE REACHED IN 1972 CLUB NEGOTIATIONS."

4. ACCORDING TO CAYUELA, " YANKEE ATTITUDE CAUSED SOME SURPRISE... LETELIER AND OTHER DELEGATION MEMBERS REALIZED THAT RIFT BETWEEN WHITE HOUSE AND MONEDA WAS GROWING, BUT THOUGHT THEY COULD CONTINUE GAINING TIME AND THAT NEW (USG- GOC) MEETINGS WOULD BE AS LACKING IN SUBSTANCE AS DECEMBER' S, DEVOTED TO REHASHING OF RESPECTIVE POSITIONS.... AFTER THIS DIALOGUE BETWEEN DEAF MEN, DELEGATIONS WOULD BID EACH OTHER COURTEOUS FAREWELL, UNTIL NEW SERIES OF CONVERSATIONS PROBABLY IN JULY AFTER PARIS CLUB. CHILEANS BELIEVED EVERYTHING FAVORED THEIR STANCE, INCLUDING ELECTION RESULTS, ITT HEARINGS AND PERONIST VICTORY. BUT IT DIDN' T WORK OUT THAT WAY.... IF US BROKE OFF CONVERSATIONS IT WAS BECAUSE IT NOW WANTS TO CARRY CONFRONTATION TO FINAL CONSEQUENCES, BEGINNING WITH ECONOMIC BLACKMAIL IN PARIS CLUB NEGOTIATIONS. ALTHOUGH THIS MAKES ECONOMIC SITUATION MORE DIFFICULT, IT LEAVES CHILEAN DIPLOMACY IN STRONG POSITION TO CONDEMN IMPERIALIST AGGRESSION IN ALL INTERNATIONAL FORUMS, BEGINNING WITH APRIL

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OASGA. THERE, AND PROBABLY AFTERWARDS AT THE UN, ALMEYDA
WILL BE ABLE DECOUNCE STUBBORN ATTITUDE OF US IN REJECTING WAY
OUT PROVIDED BY INTERNATIONAL LAW WHICH APPLICATION OF 1914
TREATY SIGNIFIED."

5. POUCHING TEXT ARA/ BC.
DAVIS

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*** Current Classification *** UNCLASSIFIED

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Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
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